



ODA Brief “Proper Use of Non-DoD Contracts”

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Proper Use of Non-DoD Contracts

DoD spends billions of dollars through non-DoD contract vehicles. This includes:

- Orders issued under these vehicles by DoD personnel-Direct Acquisitions
- Orders issued by non-DoD federal entities on DoD's behalf, using DoD funds-Assisted Acquisitions

Examples:

- GSA Schedules
- Government-wide Acquisition Contracts

“Management of Interagency Contracting” included in the most recent GAO “High-Risk” Update.

Legislation (Congressional Support)

- FY 2005 NDAA
 - Section 802-Internal Controls for Department of Defense Procurements Through GSA Client Support Centers
 - Section 854-Defense Procurements Made Through Contracts of Other Agencies
- FY 2002 NDAA
 - Section 801-Management of Procurement of Services
 - Section 803- Competition Requirement for the Purchase of Services Pursuant to Multiple Award Contracts

Policy Memo and DFARS Interim Rule

- OSD Policy Memo on “Proper Use of Non-DoD Contracts”
 - Issued 29 October 2004, effective 1 January 2005
 - Applicable to acquisition of both services and supplies
 - Applies above the simplified acquisition threshold (\$100,000)
 - Agencies and departments must establish a pre-award review process/procedures to ensure that using non-DoD vehicles are in the best interest of the Department of Defense (Army, Navy, AF done)
 - Provide DoD unique terms and conditions to assisting agencies
 - Develop post-award review processes/procedures to ensure data is captured and analyzed on non-DoD contract vehicle usage
- DFARs Interim Rule 2002-D024 (Issued 1 October 2003)
 - Applicable to acquisition of services
 - Review process and procedures established by each agency or department

Pre/Post Award Review Procedures

- Pre-Award Review Processes/Procedures
 - Does this meet the customer's needs – quality, delivery, price
 - Are the requirements within scope of the intended vehicle?
 - Is it cost effective (including fees and discounts)?
 - Who performs contract administration?
 - Is funding consistent with appropriation?
- Post-Award Review Processes/Procedures
 - Coordinate with assisting agencies to ensure proper data capture.
 - Analyze data on the number and value of transactions using non-DoD contracts.
 - Assess proper use, effectiveness, cost, etc. of these vehicles.

Assisting Agency Support of the DoD Customer

“With Revenue Comes Responsibility”

- **Compliance with the FAR and DFARS**
 - **Competition Requirements- Section 803 (2002)**
 - **Contract Consolidation-Benefit Analysis**
 - **PBSA**
 - **File Documentation**
- **Support of DoD Policy on “Proper Use of Non-DoD Contracts”**
 - **Verification of compliance with DoD policy**
 - **Commitment to Open and Timely Communication with DoD Customer**
 - **Contract availability**
- **Training**
 - **Internal- Providing assisting agency support to the DoD Customer**
 - **File documentation**
 - **DFARS unique requirements (Berry Amendment, UID, RFID)**
 - **Training of Top DoD Users**
 - **On-Line Courses**
 - **Proper Marketing of Vehicles**

Assisting Agency Support of the DoD Customer (cont.)

“With Revenue Comes Responsibility”

- **Compliance reviews - “802 Like” (2005)**
- **Reporting**
 - **Reliable Data Capture**
 - **Operating Budget - Plan and Execution**
 - **Fee Structure/Fees Paid/“854 Like” (2005)**
 - **FPDS (Assisting Agency, Customer, Commodity, Value)**
- **Accurate advertising and marketing of contract vehicles and organization capabilities**
 - **Assisting Agency advertising in print, radio, etc. and marketing to individual customers**
 - **Contractor’s role and responsibility**